

**SENATE CONCURRENT  
RESOLUTION No. 165**

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**STATE OF NEW JERSEY**

**214th LEGISLATURE**

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INTRODUCED JUNE 16, 2011

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**Co-Sponsored by:**

**Senators Cunningham and Ruiz**

**SYNOPSIS**

Urges Centers for Medicare and Medicaid Services to reject proposed reductions in NJ FamilyCare income eligibility limits and provider reimbursement rates in NJ Medicaid Comprehensive Waiver.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/28/2011)**

1   **A CONCURRENT RESOLUTION** urging the federal Centers for  
2   Medicare and Medicaid Services to reject any reduction in NJ  
3   FamilyCare income eligibility limits and Medicaid provider  
4   reimbursement rates in New Jersey’s Medicaid Comprehensive  
5   Waiver application.  
6  
7   **WHEREAS**, The New Jersey Departments of Human Services and  
8   Health and Senior Services have stated their intention to seek “a  
9   Medicaid and Children’s Health Insurance Program (CHIP) Section  
10   1115 research and demonstration waiver that encompasses all  
11   services and eligible populations served under a single authority  
12   that provides broad flexibility to manage all programs more  
13   efficiently”; and  
14   **WHEREAS**, The stated intent of the waiver is to “allow New Jersey  
15   flexibility to define who is eligible for services, the benefits they  
16   receive and the most cost-effective service delivery and purchasing  
17   strategy”; and  
18   **WHEREAS**, While the proposed Comprehensive Waiver concept paper  
19   provides for positive administrative efficiencies and contains  
20   commendable goals toward improving the delivery of health care  
21   services to the population served by the Medicaid program in New  
22   Jersey, it also contains several unconscionable and short-sighted  
23   proposals that will have an adverse effect on access to health care  
24   for low-income families in the State and on the health care delivery  
25   system in this State; and  
26   **WHEREAS**, The proposed waiver seeks to freeze enrollment for all  
27   adult parents in NJ FamilyCare whose income exceeds the State’s  
28   Aid to Families with Dependent Children eligibility limit, which  
29   was established in the 1980s and, on average, is less than 30% of  
30   the federal poverty level, which for a family of three, means an  
31   income limit of \$443 per month; and  
32   **WHEREAS**, This income eligibility limit reduction follows a FY2011  
33   freeze on enrollment of parents in NJ FamilyCare whose income  
34   exceeded 133% of the federal poverty level and, combined with the  
35   freeze from FY2011, is estimated to result in denying health care  
36   coverage in FY2012 to a staggering 93,000 low-income parents;  
37   and  
38   **WHEREAS**, Reductions in income eligibility levels for government-  
39   sponsored health care coverage are difficult at any time, but are  
40   particularly devastating to families during an economic recession,  
41   with unemployment in this State at unacceptably high levels and  
42   access to employer-sponsored coverage more limited than ever; and  
43   **WHEREAS**, The policy to reduce income eligibility limits for parents  
44   not only impacts parents, but children as well; when parents lose  
45   coverage, child enrollment in government-sponsored health care  
46   programs also decreases, and New Jersey already has a  
47   disproportionately low number of children enrolled in Medicaid and  
48   CHIP; and

1   **WHEREAS**, The reduction in NJ FamilyCare income eligibility limits  
 2       for parents cannot be justified on a financial basis; the State  
 3       Department of Human Services estimates that the proposed  
 4       reduction will save the State \$9 million dollars, but the State will  
 5       lose \$17 million dollars in federal matching funds, so this policy  
 6       results in a net loss of \$8 million in funding for the State's health  
 7       care system; and

8   **WHEREAS**, The proposed waiver also seeks to reduce provider  
 9       reimbursement rates, although the Departments of Human Services  
 10      and Health and Senior Services concept paper describing the waiver  
 11      proposal does not provide specifics as to how and where these rates  
 12      will be reduced; and

13   **WHEREAS**, New Jersey Medicaid fee-for-service reimbursement rates  
 14      are already among the lowest in the county, and before they are  
 15      reduced further, it is necessary to review how and where they may  
 16      be changed and how the reduction will impact Medicaid recipient  
 17      access to health care services throughout the State; and

18   **WHEREAS**, The proposed reduction in income eligibility limits and  
 19      changes in reimbursement rates would move New Jersey in the  
 20      opposite direction from that of the Patient Protection and  
 21      Affordable Care Act, which calls for an expansion of Medicaid by  
 22      2014; now, therefore,

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24       **BE IT RESOLVED** *by the Senate of the State of New Jersey (the*  
 25       *General Assembly concurring):*

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27       1. The Centers for Medicare and Medicaid Services is  
 28       respectfully urged to reject provisions in New Jersey's Medicaid  
 29       Comprehensive Waiver application that reduce income eligibility  
 30       limits for parents in NJ FamilyCare and reduce Medicaid provider  
 31       reimbursements, which provisions will have a deleterious impact on  
 32       the health of New Jersey's low-income families and on the State's  
 33       health care system.

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35       2. Duly authenticated copies of this resolution, signed by the  
 36       President of the Senate and the Speaker of the General Assembly  
 37       and attested by the Secretary of the Senate and the Clerk of the  
 38       General Assembly, shall be transmitted to the Administrator of the  
 39       Centers for Medicare and Medicaid Services and the Secretary of  
 40       Health and Human Services.

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#### STATEMENT

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45       The concurrent resolution respectfully urges the federal Centers  
 46       for Medicare and Medicaid Services (CMS) to reject provisions in  
 47       New Jersey's proposed Medicaid Comprehensive Waiver  
 48       application that reduce income eligibility limits for parents in NJ

1 FamilyCare and reduce Medicaid provider reimbursements, which  
2 provisions will have a deleterious impact on the health of New  
3 Jersey's low-income families and on the State's health care system.  
4 The New Jersey Departments of Human Services and Health and  
5 Senior Services intend to seek a Section 1115 Medicaid waiver  
6 from CMS to enable the State to make significant changes in the  
7 Medicaid and NJ FamilyCare programs. The proposed waiver, as  
8 described in the departments' May 2011 concept paper, contains  
9 several unconscionable and short-sighted changes to the programs  
10 that will have an adverse effect on access to health care for the  
11 State's low-income families and on the health care delivery system  
12 in this State. The most significant and troubling proposal is a freeze  
13 on enrollment for all adult parents whose income exceeds the  
14 State's Aid to Families with Dependent Children eligibility limit,  
15 which limit is less than 30% of the federal poverty level. A family  
16 of three would only qualify for NJ FamilyCare if their annual  
17 income did not exceed \$5,316. It is estimated that in FY2012, a  
18 staggering 93,000 low-income parents will be denied health care  
19 coverage if this eligibility change is implemented.